

# ORIGINAL



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## ARIZONA CORPORATION COMMISSION

February 22, 2007

Arizona Corporation Commission  
**DOCKETED**

FEB 22 2007

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AZ CORP COMMISSION  
DOCUMENT CONTROL

2007 FEB 22 P 4: 27

RECEIVED

Paul D. Levie,  
President  
Antelope Lakes Sewer, LLC  
2465 Shane Drive  
Prescott, Arizona 86305

RE: Antelope Lakes Sewer, LLC – Application for Certificate of Convenience and Necessity (CC&N) Docket No. SW-20510A-07-0062  
INSUFFICIENCY LETTER

Dear Mr. Levie:

In reference to the above mentioned application filed on January 30, 2007, this letter is to inform you that the application has not met the sufficiency requirements as outlined in the Arizona Administrative Code.

1. Please provide a detailed five year pro forma balance sheet.
2. Please provide a detailed five year pro forma income statement. The return on original cost rate base in year 5 of the pro forma income statement should be approximately 8%.
3. Please provide a detailed pro forma utility plant-in-service account with annual additions.
4. Please provide a proposed depreciation rates for the pro forma plant-in-service.
5. Please provide a proposed tariff schedule and a summary of rate design.
6. Please explain in detail the method of financing the utility facilities.
7. Please provide a copy of the estimated property taxes for the five year projection.
8. Please provide the description and engineering plans of the proposed wastewater treatment plant and collection system.
9. Please provide an itemized cost breakdown of the proposed wastewater treatment and collection system necessary to serve the proposed CC&N area.

10. Please provide a request for service from each of the affected property owners.
11. Please provide a map of the requested service territory with an identification of the respective property owners requesting service.
12. According to the Application, water will be provided by Abra Water Company, Inc. and Antelope Lakes Water Company. In reviewing a map of the requested area that was generated by Utilities Division's Staff based on the legal description that was provided by the Company, Staff notes that portions of Section 32, Township 18N, Range 2W and the requested portions of Section 4 and 3, Township 17N, Range 2W **have no service provider**. Please explain how water will be provided to those areas and by whom.
13. Please provide a copy of the Yavapai County Franchise agreement for the proposed CC&N areas.
14. Since the CC&N area includes State land, please provide evidence of the Arizona State Land Department's approval.
15. Please provide all previous experience that the Certified Operator and On-Site Manager, Mr. Maurice Lee, has in operating water and wastewater systems in Arizona.
16. Please list any previous actions taken against Mr. Maurice Lee by any governmental agencies, if any.

Staff would like to use this opportunity to bring the following to your attention:

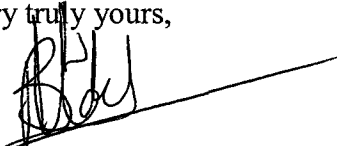
- Pursuant to the Arizona Administrative Code ("A.A.C.") R-14-2-411(C) for water and R-14-2-610(C) for wastewater, upon meeting sufficiency requirements, the Commission has 150 calendar days for its substantive review. This includes conducting a hearing and preparing Opinion and Order to present to the Commission at an Open Meeting; and
- Pursuant to A.A.C. R14-2-411(C)(3) and R-14-2-610(C)(3), Staff may terminate an application if the applicant does not remedy all deficiencies within 60 calendar days of the notice of deficiency.

**Please file your response to this letter with Docket Control.**

Antelope Lakes Sewer, LLC (Docket No. SW-20510A-07-0062)  
Insufficiency Letter  
2/22/2007  
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If you have any questions concerning this matter, please do not hesitate to contact me at 602-542-0840 and Marlin Scott at 602-542-7272.

Very truly yours,

A handwritten signature in black ink, appearing to be 'B. Chukwu', written over a horizontal line.

Blessing N. Chukwu  
Executive Consultant III

BNC

cc: Docket Control  
Del Smith  
Lyn Farmer  
Brian Bozzo  
Vicki Wallace